

FISCAL NOTE

HB 564 - SB 1269

March 19, 1997

SUMMARY OF BILL: Provides for the regulation and licensing of adult oriented establishments, adult cabarets, and adult entertainers. Creates the Tennessee Adult Entertainment Commission to be attached to the Department of Commerce and Insurance.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$206,600 Recurring
\$276,500 One-Time
Increase State Revenues - \$287,500 FY 97-98
\$350,000 FY 98-99

Revenue estimate assumes:

	<u>FY 97-98</u>	<u>FY 98-99</u>
Initial establishment & cabaret applications - 225 @ \$1,000	\$225,000	\$225,000 (renewal)
New establishment & cabaret applications - 50 @ \$1,000		50,000
Initial entertainer applications 2,500 @ \$25	<u>62,500</u>	62,500 (renewal)
New entertainer applications 500 @ \$25		<u>12,500</u>
TOTAL	<u>\$287,500</u>	<u>\$350,000</u>

Expenditure estimate assumes:

	<u>Recurring</u>	<u>One-Time</u>
Initial rule making hearing - travel & per diem - 7 members @ \$150 x 10 days		\$ 10,500
Board meetings - travel and per diem - 7 members @ \$150 x 12 days per year	\$ 12,600	
1 Administrative Director of Regulatory Board 2 salary & benefits	50,000	
2 Clerk 3 - salary & benefits	45,000	
1 Secretary - salary & benefits	25,000	
Operational expenses	35,000	
Office furnishings & equipment		31,500
Initial computer programming		40,000
Develop & print Licensure Application Forms		7,000
Investigation cost on current entertainers - 2,500 @ \$48 each		120,000
Inspection cost of current establishments 225 @ \$100 each x 3 agencies		<u>67,500</u>
Investigation costs on new entertainer applications 500 @ \$48 each	24,000	
Inspection cost of new establishments 50 @ \$100 each x 3 agencies	<u>15,000</u>	
TOTAL	<u>\$206,600</u>	<u>\$276,500</u>

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director